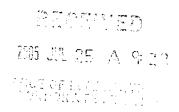


July 13, 2005

The U. S. Securities and Exchange Commission 450 Fifth Street, N. W. Room 3117
Office of International Corporate Finance Mail Stop 3-9
Washington, D.C.20549
U. S. A.



SUPPE

Rule 12g3-2(b) Exemption of Kobe Steel, Ltd.,

File number:82-3371

Dear Madam/Sir:

In connection with Kobe Steel Ltd.'s exemption pursuant to Rule 12g3-2(b) from the registration and reporting requirements of the Securities Exchange Act of 1934, and in compliance with its ongoing requirements under Rule 12g3-2(b)(iii), please find enclosed a copy of the Company's release today covering

" Issuance of domestic unsecured yen bonds"

1 page

Thank you for your assistance in handling it as required.

Sincerely yours,

Yasuo Koyama Finance Department

Kobe Steel, Ltd.

PROCESSED

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FINANCIAL

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13 July 2005 Yasuo Inubushi President, Chief Executive Officer & Representative Director Kobe Steel, Ltd. (Tokyo Stock Exchange Code No. 5406) Contact: Publicity Group Kobe Steel, Ltd.

Tel: Tokyo 03-5739-6010

Kobe 078-261-4040

ISSUANCE OF DOMESTIC UNSECURED YEN BONDS

Kobe Steel, Ltd. hereby gives notice that it has decided to issue Domestic Unsecured Yen Bonds under the terms as set forth below:

Domestic Unsecured Yen Bonds due 27 July, 2015

1. Name:

Kobe Steel, Ltd.

Series 42 Unsecured Bonds

(Limited Inter-Bond Pari Passu Clause)

2. Total Amount of Issue:

10 Billion Yen

3. Denomination of Bond:

100,000,000 Yen each

4. Interest Rate:

1.57% per annum of the principal of the Bonds

5. Issue Price:

100% of the principal amount of the Bonds

6. Redemption Price:

100% of the principal amount of the Bonds

7. Maturity Date:

To be redeemed in a lump sum on 27 July 2015

8. Offering Period:

13 July 2005

9. Closing Date:

27 July 2005

10. Method of Issue:

Public offering in the domestic market

11. Date of Payment of

Interest on the Bonds:

Semiannually on 27 January and 27 July

12. Status of the Bonds:

Unsecured by assets or guarantees

13. Fiscal Agent:

Sumitomo Mitsui Banking Corporation

14. Underwriters:

Nomura Securities Co.,Ltd.

Use of Proceeds:

To be applied toward repayment of loans and/or

redemption of bonds